

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF MISSISSIPPI
NORTHERN DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

ARTHUR LAMAR ADAMS AND
MADISON TIMBER PROPERTIES, LLC,

Defendants.

Case No. 3:18-cv-252

Hon. Carlton W. Reeves, District Judge

Hon. F. Keith Ball, Magistrate Judge

MOTION FOR APPROVAL OF SETTLEMENT

Alysson Mills, in her capacity as the court-appointed receiver (the “Receiver”) for Arthur Lamar Adams and Madison Timber Properties, LLC, through undersigned counsel, respectfully moves the Court to enter the attached proposed Order Approving Settlements,¹ which approves the Receiver’s Settlement Agreement with Drake and Summer Adams (“Mr. and Mrs. Adams”) [Exhibit A]. In support, she states as follows:

1.

The Receiver determined that from January 1, 2010 to the present, Lamar Adams’s children and their spouses received cash gifts that she believes were proceeds of the Madison

¹ Pursuant to the Court’s Administrative Procedures for Electronic Case Filing, Sec.5.B, the proposed Order Approving Settlement is being transmitted via e-mail to Judge Reeves’s chambers simultaneous with the filing of this motion.

Timber Ponzi scheme. These cash gifts were made with funds from bank accounts in Lamar Adams's name and from a bank account he shared with his wife, Vickie Adams.

2.

Of these cash gifts, Drake Adams, Lamar Adams's son, and his wife, Summer, received \$56,000.

3.

The Receiver notified Mr. and Mrs. Adams of her findings. They, along with Brandon Kennedy, in turn voluntarily disclosed to the Receiver that Lamar Adams separately had given Brandon Kennedy and Drake Adams an interest in a home in Indianola, Mississippi, in which his mother has a life estate. Mr. and Mrs. Adams shall contribute one-half of \$25,000, or \$12,500, in settlement of the Receivership Estate's claims to this property.

4.

The Receiver has no evidence that Mr. and Mrs. Adams were involved in any wrongdoing associated with the Madison Timber Ponzi scheme. The Receiver and Mr. and Mrs. Adams undertook to resolve the Receivership Estate's claims to gifts made to Mr. and Mrs. Adams without litigation.

5.

The parties have now reached an agreement whereby Mr. and Mrs. Adams shall return to the Receivership Estate \$40,000 in settlement of the Receivership Estate's claims for gifts made to them by Lamar Adams.

6.

The proposed settlement agreement follows meaningful, informed, arm's length negotiations between the Receiver and Mrs. and Mrs. Adams, all represented by highly capable counsel.

7.

The Receiver believes the proposed settlement agreement is in the Receivership Estate's best interests. The Receiver is satisfied that the total amount received pursuant to the proposed settlement agreement exceeds the net amount the Receivership Estate would actually receive if she litigated her potential claims against Mr. and Mrs. Adams to final judgment. The time and money spent on litigation, which would be funded on an hourly basis, is time and money the Receivership Estate would never recover and would almost certainly exceed any discount given in consideration for the avoidance of litigation. The Receiver values, too, that Mr. and Mrs. Adams have cooperated with the Receiver and have agreed to make their payment immediately, within 30 days of approval.

WHEREFORE the Receiver asks that after due consideration the Court enter the proposed Order Approving Settlement.

March 1, 2019

Respectfully submitted,

/s/ Lilli Evans Bass

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CERTIFICATE OF SERVICE

I certify that I electronically filed the foregoing with the Clerk of Court using the ECF system which sent notification of filing to all counsel of record.

In addition, I have separately emailed a copy of the foregoing to:

Michel Jaques
mjaques@sessumsdallas.com

Counsel for Drake and Summer Adams

Date: February 28, 2019

/s/ Brent B. Barriere